IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE FOURTEENTH DAY OF DECEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE L.NARASIMHA REDDY

WRIT PETITION NO : 21365 of 2004

Between:

M/s S.R. and Sons,rep. by Proprietor Mr. S. Ramachandran, S/o Singarathevar, R/o D.No. 26-4-1205, R and GT Colony, Hindupur, Anantapur District.

..... PETITIONER

AND

1 The Commissioner, Hindupur Municipality,I Ananthapur District.
2 The Inspector of Police, Hindupur I Town P.S. Anantapur District.
3 The Asst. Commercial Tax Officer (Addl), O/o Commercial Tax Office,Hindupur, Ananthapur District.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a writ of Certiorari calling for all the connected records including the impugned proceedings of 1st respondent in ROC. No. 3002 /F2/2004 dated 20-11-2004 and quash the same as illegal, improper, unjust and contrary to law and further direct the respondents 1 to 3 not to interfere with the business of the petitioner running in the premises bearing No. 26-4-1205, RP & GT Colony, Hindupur, in the name and style of M/s SR and Sons.

Counsel for the Petitioner: MR.K.G.KRISHNA MURTHY

Counsel for the Respondents 2 and 3: GP FOR HOME

Counsel for Respondent No. 1: Sri K.M.Mahender Reddy

The Court at the stage of admission made the following ORDER:

Petitioner was granted a trade licence by the first respondent on 28.08.2004 to conduct business in the premises referred to therein. Thereafter it was issued a show cause notice dated 26.10.2004 directing to explain as to why the licence shall not be cancelled. It was alleged that the petitioner is indulging in activities of deceiving the customers. The petitioner submitted its explanation within the stipulated time. Thereafter, the first respondent passed an order dated 20.11.2004 cancelling the licence, taking into account the report of the Inspector of Police, I Town Police Station, Hindupur as well as the other records. The same is challenged in this writ petition.

Heard learned counsel for the petitioner, learned Government Pleader for Home and learned standing counsel for the first respondent.

The petitioner was issued a trade licence to conduct business in certain categories of goods. The respondents as well as the local police received complaints to the effect that the petitioner is receiving full consideration of goods from the customers, promising to return the same on daily instalments and also to deliver the item concerned along with the last installment. The investigation undertaken by the police appears to have revealed that such a course of action is resorted to only for the purpose of luring the customers and there is every likelihood of the petitioner closing the business and deceiving the customers.

The basis for the action taken by the respondents as well as the report submitted by the police is the pamphlet of the petitioner itself. The trade

contemplated under the A.P. Municipalities Act is the one in normal parlance. No individual can be permitted to undertake business with the object of deceiving the people. If the petitioner is generous enough in selling the goods with attractive discount, it can certainly supply the same at such rates. The very fact that the consideration is received in advance and it is offered to be repaid discloses the oblique motive behind the entire scheme. Under no circumstances such practice can be permitted and encouraged. Hence, this Court does not find any basis to interfere with the impugned order. It is, however, made clear that in case the petitioner undertakes to conduct the business according to the ordinary norms, duly protecting the interests of the customers, the first respondent shall consider the same and issue fresh licence stipulating the necessary conditions.

The writ petition is accordingly dismissed. No order as to costs.

14.12.2004

Note:

Issue CC in three days.

(BO)

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To

1 The Commissioner, Hindupur Municipality,I Ananthapur District.
2 The Inspector of Police, Hindupur I Town P.S. Anantapur District.
3 The Asst. Commercial Tax Officer (Addl), O/o Commercial Tax 4

Office,Hindupur, Ananthapur District.

4 Two C.Cs. to the Government Pleader for Home, High Court Buildings, A.P., Hyderabad, (OUT).

5 Two C.D. Copies.